



THE SOVEREIGN HILL
MUSEUMS ASSOCIATION

ANNUAL REPORT 2018.2019

OUR PURPOSE

Connecting people through our history to adapt for a better future.

OUR MISSION

Providing meaningful immersive experiences that tell stories of our humanity.

OUR VALUES

Our values identify how we will interact with each other, our visitors and our stakeholders.

INTEGRITY

Our business is conducted with honesty and integrity.

SAFETY

Ensuring the safety of our people and visitors underpins everything we do.

SUSTAINABILITY

We strive to balance social, environmental and economic priorities.

RESPECT

We respect each other and we respect our visitors, partners, resources, reputation and collections.

SERVICE

We are passionate about creating a positive and memorable visitor experience.

EQUALITY

We are committed to achieving equality and we value diversity.

FIRST PEOPLE'S ACKNOWLEDGEMENT

Sovereign Hill would like to acknowledge the Traditional Owners of the land on which we stand, the Wadawurrung people of the Kulin nation, and pay our respects to Elders past and present.

A photograph of two young girls in historical costumes. The girl on the left is wearing a white lace bonnet and a blue dress with white polka dots, looking down at a wooden toy. The girl on the right is wearing a straw hat with a blue ribbon and a blue and red patterned dress, smiling and holding a wooden toy. The background is a light-colored building with a window.

CONTENTS

PRESIDENT'S REPORT	2
CEO'S REPORT	4
MARKETING	6
OUTDOOR MUSEUM.....	8
EDUCATION	14
GOLD MUSEUM.....	16
NARMBOOL.....	18
THANK YOU	20
THE SOVEREIGN HILL FOUNDATION	22
MAJOR SPONSORS, GRANTS, DONORS & CORPORATE MEMBERS	22
SOVEREIGN HILL PROSPECTORS & SIR HENRY BOLTE TRUST COMMITTEE	23
THE SOVEREIGN HILL MUSEUMS ASSOCIATION	24
STAFF	26
VOLUNTEERS.....	27
FINANCIAL & STATUTORY REPORTS	29

PRESIDENT'S REPORT



The year has been difficult, but there is much to celebrate.

An exhaustive search saw the Board appoint Sara Quon as our new CEO. We have great confidence in Sara as our new leader, and we sincerely thank our former Board Member and Past-President, Emeritus Professor Terry Lloyd, for taking on the short-term role as CEO during the recruitment process.

We were delighted to congratulate Jeremy Johnson on being awarded a Medal of the Order of Australia (AM) for services to tourism and Ballarat, in the Queen's Birthday Honours.

Invited guests joined us to mark the year's achievements at the annual President's Dinner. This year, we welcomed Maggie Beer AM as Guest Speaker, accompanied by Natalie O'Brien AM.

Opening the \$1.7m Play Space and launching AURA, our new \$8m sound-and-light show, were key achievements. The exhibition 'Wonderful Things' celebrated the Gold Museum's 40th Anniversary. Our costumed schools program won a national award, and the education programs overall attracted record attendances.

However, several challenges combined to result in our first-ever operating loss of \$128,640. This was largely driven by a decrease in revenue from operating activities of almost \$900,000. We also wrote down the asset valuation on a particular item, increasing the loss.

If we look at the result before depreciation expenses, we were able to produce an underlying surplus of over \$2.4m. This surplus, together with generous capital funding from Government and our supporters, enabled continued investment in significant refurbishments and additions to our property, plant and equipment.

Thus, while the delivery of over \$15m worth of projects across the Outdoor Museum, with over \$10m of capital additions during the past financial year alone,

represented one of Sovereign Hill's greatest capital outlays, we are looking forward to continued investment in coming years.

We have invested heavily in a rigorous examination of our policies and procedures, and intensive staff and volunteer training, so that the Board could feel confident that Sovereign Hill will become a site of best practice, with a positive and inclusive culture.

AURA opened late, impacting delivery over the key January holiday period with flow-on effects for our operations.

Still recovering from the 2015 bushfire, Narmbool farming operations were affected by drought. Lambing percentages and subsequent sales dropped in a bitterly cold season, as did wool clip income.

However, the greatest impact on our profit was falling Chinese visitation. We cannot afford to compete with group tour operators taking advantage of the Great Ocean Road's free sites. Our business model will therefore focus on a new generation of independent Chinese travellers seeking the kind of unique and authentic heritage and cultural experiences that we offer in abundance.

We have entered a promising new financial year. 'Winter Wonderlights' attracted over 90,000 visitors. A Federal Government grant for \$10.1m has been secured for master planning and capital works. The Master Plan will be launched for Sovereign Hill's 50th Birthday in November 2020.

We will lift the visitor experience by examining our product to ensure that we offer the best possible experience. Our master plan will incorporate market research to inform strong decision making regarding our next phase of project priorities.

Our thinking is aspirational. We plan to deliver projects worth over \$50m across several years. I am confident we can exceed this target by fundraising, partnering with business, and canvassing other government assistance.

I must acknowledge a number of people, beginning with the Board for its wise counsel. We will soon announce a revised set of Governance documents clearly outlining Board and Member responsibilities so that our CEO and her Management team can function effectively.

I thank Sara and her Executive team. They partnered with the Board recently to revise Sovereign Hill's Purpose and Mission, re-focusing and refining our museum purpose, and seeking to deliver a greater good through enriching the human experience. Our wonderful staff and volunteers will have another reason to be part of an amazing organisation.

At a time of generational change for Sovereign Hill, there have been important retirements. Four are Past-Presidents and significant supporters. More of Terry Lloyd, Richard Nicholson, Jane Cowles and Steve Coltman will follow in this report. Pat Clifford, Director of Finance & Corporate Services and Company Secretary, is enjoying a well-earned retirement. We also thank Gayle Bruce for her service on the Board's Finance & Risk Committee.

The Board has recently harnessed the expertise of two new advisors – Dr Ben Mountford is a much-respected academic and historian, and Craig Fletcher is a former Ballarat Mayor and local business owner.

Our gratitude is extended to Civic Patron Dr Paul Hemming AO, who has retired as Chancellor of Federation University Australia. We look forward to welcoming his replacement, Terry Moran AC. Our other Civic Patron is Cr Samantha McIntosh, Mayor of the City of Ballarat, another body with whom we work closely to mutual advantage.

Narmbool Patrons Robin and Andrew Ferry continue their generous support of all things Narmbool. We thank many generous donors and advocates, especially our Prospectors, the Costume Coterie and Corporate Members. We acknowledge the on-going work of The Sovereign Hill Foundation, chaired by Ross Wilkie, and the Sir Henry Bolte Trust Committee, led by Richard Nicholson.

Sadly, we note the recent passing of two staunch friends and supporters – Daryl Burt, a respected Ballarat identity and early staff member, and the Hon. Tim Fischer AC. In addition, Sir Arvi Parbo AC was a generous supporter in our early times.

In closing, I thank my wife, Kim, and my children for their support in my first year as President of this wonderful organisation.



Damien Butler
Board President

CEO'S REPORT



An exciting phase of renewal for Sovereign Hill has begun with a robust strategic and master planning process underway. Our culture is evolving in positive ways, and I am proud to be leading such a talented and passionate team during a time characterised by ideas, growth and energy – and generously supported by our Board. My thanks to them all for a strong start to my time with the organisation. I acknowledge the leadership of Emeritus Professor Terry Lloyd as CEO, before I started in late January, and I thank him for his insights during my transition into the role.

It was an operationally challenging year for Sovereign Hill. Domestic Outdoor Museum attendances held strong, but the launch of AURA was delayed, and Chinese visitation to the Outdoor Museum experienced a significant reduction. The year ended with a total of 729,641 day visits across our sites. Lower attendances combined with a challenging farming year at Narmbool, a major asset write-down, new depreciation from capital works projects and significant expenditure on recruitment, training and legal fees, to result in Sovereign Hill's first-ever operating loss. Strong performance from our investment portfolio and gains through the sale of assets buffered against more significant losses. This investment support testifies to our forebears' vision in creating The Sovereign Hill Foundation and the generosity of its supporters since inception in 1996.

In June, we released a new Purpose and Mission statement for the organisation after significant work from Board and Management. This represents major progress in enabling our upcoming planning phases.

This year has seen significant work in the areas of Respect and Responsibility with updated policies and procedures released and training levels heightened. Sovereign Hill is being accredited as a White Ribbon Workplace, seeking to promote respectful relationships and gender equality within the workplace and demonstrate a culture of zero tolerance towards violence against women.

We successfully completed a three-year \$15m reinvestment program made possible by an \$8m grant from the Victorian Government and augmented by support from Prospector Members, The Sovereign Hill Foundation and a key private donor. The reinvestment program included the \$1.7m Play Space, opened in October by Geoff Howard MP, then Member for Buninyong, and the \$8m AURA, formally launched by Juliana Addison, MP, State Member for Wendouree, on 27 March. The new show is a keystone of our historical remit and commercial operations.

It was with great pleasure that our team worked with the Victoria Tourism Industry Council (VTIC) to secure \$10.1m of Federal Government funding, announced by Federal Minister, the Hon. Simon Birmingham, in mid-April.

The Copland Foundation supported conservation works within our Gold Museum's Chinese Collection, so that experts at the University of Melbourne's Grimwade Centre for Cultural Materials Conservation could give our processional lion and dragon some much-needed attention.

Narmbool has been a hive of activity with many projects there nearing completion. The property looked stunning on Open Day, with the gardens really lifted. Pleasingly, our school numbers continue to grow.

We held a Sovereign Hill Foundation function in June and, across the year, were able to raise \$40,000. The Sir Henry Bolte Trust Classic Car Tour was held in November, and the Trust Fund's AGM in December supported the acquisition of collection items held at the Gold Museum.

It was a privilege to host VIP guests across the year: Victoria's Governor, Her Excellency the Hon. Linda Dessau AC and her husband, Mr Anthony Howard AC; Professor Vladimir Donskoy, the Co-Founder of Rotary in Russia; and, Sir Bob Geldof.

Our Costumed Schools program won an AMaGA Interpretation, Learning & Audience Engagement Award. We are supported by excellent staff, volunteer and School Council involvement in the program.

We farewelled Museums Director Jillian Marsh in May, and our Director – Finance and Corporate Services, Pat Clifford, retired in August 2019 after more than 19 years with us. We thank them both for outstanding service. Katrina Nitschke was welcomed into the role of Director – Collections, Research and Learning in July 2019, and Angela Morrison joined us as Chief Financial Officer in August 2019. James Baker's role changed to Director – Visitor Experience, and he is now responsible for Costume, Interpretive Programs and our volunteers, in addition to Creative & Design and Red Hill Photographic Rooms. Chris Hutton, Director – Engineering & Infrastructure, has assumed responsibility for IT.

Staff members Mark Filmer and Snjez Cosic successfully graduated from the 2018 Leadership Ballarat & Western Region program, and Damon Minotti and Kathleen Woollacott joined the 2019 program.

I thank our supporters, Board, staff and volunteers for their genuine partnership on this journey. Significant positive ideas are flowing from so many avenues to feed into both our strategic and master planning phases.



Sara Quon
Chief Executive Officer

A photograph of a man and a woman in historical clothing working in a workshop. The man, with a beard and glasses, is wearing a dark vest over a white shirt. The woman is wearing a light-colored dress with a white apron and a white bonnet. They are standing in front of a large wooden structure, possibly a mill or a press, with various mechanical parts and gears visible. The scene is dimly lit, with light coming from a window in the background.

MARKETING

Sovereign Hill's annual attendances for 2018-19 saw visitation of 527,062 to the Outdoor Museum with almost 9% of these being online sales. The Gold Museum received 158,119 visitors.

In January 2019, Sovereign Hill announced the appointment of a China market agency - LATS (Leisure & Tourism Solutions Pty Ltd). LATS offers tailored solutions ranging from marketing strategy and planning to implementation, representation and product development. They have been engaged to strengthen our presence in the Greater China and South East Asian markets at a time when tourism marketing in China is adapting to increasing numbers of free independent travellers and declining numbers in group tours.

India is an emerging market with a growing middle-class keen to travel. We are working with a new service provider, One Step Ahead, to maintain in-market relationships with Indian agents. In April, Sovereign Hill supported Tourism Australia's development of a new video used in India to promote Victoria. Shown at the Victorian Tourism industry briefing, the video features extensive coverage of Sovereign Hill. Its Bollywood star, Parineeti Chopra, has 19.1m followers on Instagram.

Marketing Director Jennifer Ganske attended several State and Federal Trade Missions. In August, she joined Tourism Australia's India Trade Mission. During September, Jennifer joined Visit Victoria in the UK and Europe before attending the Visit Victoria USA/Canada Roadshow in March. These missions strengthen Sovereign Hill's distribution channels within international markets.



Crowds for 'Winter Wonderlights' 2018 enjoyed a total of 46 hours of projections lighting up Main Street, the residential area and our beautiful gardens, along with market stalls, festive food and St Nicholas photo opportunities. The Gingerbread Man mascot was popular, as was the addition of Redcoat soldiers into the projections.

Delivering the 'Wonderlights' experience represented a massive logistical exercise by our staff and volunteers, working in collaboration with external contractors Electric Canvas, and our catering lessees, Delaware North Companies Australia. The 2017 event broke the 1974 attendance record of 7,827 visitors with attendances reaching 8,220. Then, on Saturday, 14 July 2018, we sold just over 10,000 tickets. The overall success of the 2018 'Wonderlights' was achieved by a strong marketing campaign and assisted by the overlapping of inter-state school holiday visitation.

The Easter holiday 'Lost Trades' program introduced workshops focusing on heritage and rare trades, notably leather belt making, Victorian apron sewing and blacksmithing. Sessions sold out across the fortnight, positive reviews flooded media channels and attendances exceeded the previous year's results.

Locally, the 16th annual Late Night Shopping event drew the largest crowd ever, with almost 5,000 locals enjoying free entry to do Christmas shopping and join in seasonal festivities.

The conference and function market grew, with Sovereign Hill positioning itself as a go-to venue for businesses seeking a unique corporate experience. Steinfeld's Lounge enhancements have proved well worthwhile, providing increased capacity for business events and private celebrations. Narmbool High Tea is growing in popularity with 1,058 teas served for the year. In March 2019, the success of the inaugural Narmbool Bridal Fair resulted in strong visitation and drove wedding sales for Narmbool.

National media exposure began with Sovereign Hill featured on the breakfast TV show, 'Sunrise'. In September, a film crew from Sichuan in China visited to shoot a tourism television program. October brought Channel Seven to Sovereign Hill for a three-chapter documentary on Chinese milestones in Australia. December welcomed China's Xinhua News Agency, one of China's largest and most influential media organisations, to shoot a live show celebrating the history of Chinese immigration to Australia. The 38-minute live show aired to 100,250 viewers.

Finally, in response to the theme of 'Women in Culture' for Museum Week 2019, Sovereign Hill and Gold Museum staff featured in a short social media video highlighting their roles at Sovereign Hill and the Gold Museum.



OUTDOOR MUSEUM

MINING

This year, almost 310,000 visitors experienced a guided underground mine tour.

In the Quartz Mine, the new mine train commenced operation on 14 December. In Platform 2, the North Drive and the South Drive, Sovereign Hill's Engineering team installed new ground support structures with galvanised steel portal frames and hardwood timber lining.

Researched by mine staff, a surface tour of the heritage-listed New Normanby Mine ruins has proved very popular during weekends and school holidays. The ruins, which lie on our land, have a rich history dating from 1885. The tour serves as a powerful reminder that our mining installations have important links with the extensive gold mining activity across Ballarat during the mid-19th and early 20th centuries.

A talk by Peter McCarthy, AMC Chairman and Principal Consultant, and a Sovereign Hill Board Member, gave staff an interesting insight into the history of our mining museum. Peter was joined by Kurtis Noyce, Manager of Environment and Community at CGT (Ballarat Goldfields), who reported on current mining activity beneath Sovereign Hill which has involved breaking into the New Normanby workings.



STEAM OPERATIONS

Visitor interest, including that of Sir Bob Geldof (pictured above), continues to be drawn by the massive collection of quartz mining machinery driven by steam from the Boiler House of the Sovereign Quartz Mine.

Three staff are currently training to drive reciprocating engines in preparation for their high risk licence assessment. Another team member has just completed driver training for the inclined tramway, and three more will follow shortly.

We recently assisted the Country Fire Authority with a training exercise which saw them practise the use of their elevated work platform to replace our mine flag free-of-charge – a most worthwhile cost-saving exercise given the height at which the flag flies from the Poppet Head.

We thank the Board's Outdoor Museum & Mining Committee, and its Chairman, Peter McCarthy, for their assistance in overseeing developments in these key areas.

RETAIL

Retail remains a key innovator and driver of revenue for Sovereign Hill. In December 2018, Late Night Shopping attracted 5,764 visitors – a 25% increase in attendances from 2017. The event generated over \$61,000 in sales – a pleasing 19% gain on the 2017 result.

Situated off-site, 'pop-up' stalls for Mother's Day and the Christmas shopping season were also very successful. Strategically positioned in Ballarat's busy Central Square shopping centre, they generated \$67,500 overall in revenue.

The Confectionery team had a productive year. For 'Winter Wonderlights', they sold 1,300kg of raspberry drops, \$10,000 worth of toffee apples and had 213 visitors participate in the 'hands-on' sweet making experience in Brown's Confectionery Factory.

Hewett's Candle Works, another popular historical business, this year saw the addition of a second wax vat to meet growing demand for our children's candle dipping activity.



AURA

The official launch of AURA on 27 March represented a complex project in which diverse Sovereign Hill teams worked for over two-and-a-half years with our Ballarat creative company, Accolade, their sub-contractors and Wadawurrung community representatives.

The two new electric prime movers were produced locally at SEM, who manufacture fire and rescue equipment. They have enhanced the visitor experience with improvements to accessibility, lighting, and audio infrastructure.

Like its long-running predecessor, 'Blood on the Southern Cross', AURA is part of an important inter-related web of commercial operations, feeding profitable accommodation, catering and other enterprises for us. It is also a key pillar of the tourism and hospitality sector in the Ballarat region.

SOVEREIGN HILL HOTEL

Sovereign Hill Hotel enjoyed another strong year. A continued focus on business through online travel agencies saw a 72% increase in room nights and a 73% increase in revenue over the former year in this market, while visitor satisfaction remained high. Occupancy rates for hotel rooms rose by just over 2%.

Maintenance programs saw windows replaced and hot water systems upgraded in the Officer's and Superintendent's Quarters. Wallpapering in the Residence corridors was replaced by a painted surface, the interior of Esmond Terrace was re-painted and all rooms have new blinds. The Southern Barracks received 15 new sets of bunks with additional units soon to follow.

CREATIVE & DESIGN

The Design team, managed by Van Sanders, has worked closely with all departments, contributing to a diverse range of projects and visitor experiences. Key contributions involved: 'Winter Wonderlights', the Play Space, AURA and AURA staff uniforms, 'Lost Trades', the 'Pose' exhibition, membership and the new Annual Pass, 'rush' magazine and this Annual Report.

Complementary collateral produced for events and special occasions included: brochures, visitor maps, flyers, stationery, invitations, menus, labels, digital advertising, billboards, signage, social media and websites.

The team worked with, or coordinated, project teams across the museums on works such as refurbishment of exhibit displays (interiors and exteriors), streetscapes, landscaping and visitor experiences.

Red Hill Photographic Rooms remained a premium visitor experience, and the business of providing school photographs remained strong. Working with the Costume



team, new Redcoat soldier costumes were introduced into the photographic wardrobe and are very popular. During the Easter holiday program, the photographers conducted a successful camera obscura activation in the Alex Kelly premises.

Serena Ioannucci completed her tenure as Manager and Change Agent, and the Photographic Rooms finished the year with a growth in business and an operating profit.

During an organisational restructure in June, the department joined a larger portfolio of Visitor Experience, led by Director James Baker, and now encompassing Creative & Design, Costume, Interpretive Programs, Red Hill Photographic Rooms and Volunteers. An exciting development that has already seen new directions!

COSTUME DEPARTMENT

The Costume Department provides historically-accurate, appropriate-for-purpose costume along with related services: costume maintenance, alterations, fittings, dressing and presentation training.

Two team members have taken up professional development opportunities. Megan Anderson won a La Trobe Society Fellowship through the State Library of Victoria to study Governor La Trobe's uniform. Megan's project will commence this year. In the UK, Naomi Holden visited 'Past Pleasures' historical costume consultants and also studied couture tailoring at London

College of Fashion, returning with advanced skills to benefit her work and share with colleagues.

A significant project this year involved providing costume and on-set wardrobe services to the film shoot for AURA. The team costumed 60 individuals and spent two weeks on-set in Melbourne broadening their skills in 'green screen' filming.

Public programs included hosting 'An Evening Behind-the-Scenes' during the Virgin Australia Melbourne Fashion Festival (VAMFF) Arts Program to give fashion enthusiasts an exclusive insight into the business of costuming a living museum. An apron workshop saw visitors sewing alongside the Costume team to create their own Victorian-style apron.

Our Costume Coterie supporters enjoyed a Sovereign Hill costumed experience and afternoon tea in October. Costume Manager Erin Santamaria presented a talk on Victorian costume and etiquette after which guests donned period costume to promenade along Main Street and enjoy afternoon tea in the Theatre Retiring Room. The Coterie also gathered for 'AURA through the Lens of Costume', a presentation revealing the department's work in costume design and wardrobe for the production of AURA.



ENGINEERING

Led by Director Chris Hutton, Sovereign Hill Engineering provides building, maintenance, information technology, technical, and landscape and gardening services across our sites.

Engineering also delivers ancillary functions such as roadworks, firewood, exhibition construction and installation, furniture manufactory, office re-layouts, some technical components for 'Winter Wonderlights', and horse paddock maintenance.

The Engineering Department saw delivery of the new \$8m AURA and its two electric vehicles, construction of the \$1.7m Play Space, and refurbishment of several Main Street façades and exhibits. A harness-making workshop was built in the coachbuilding factory, and bridge and landscaping works continued in the diggings. Timber windows, constructed in-house, were installed in Sovereign Hill Hotel's Superintendent's Quarters, and confectionery factory extensions included a new retail area with cabinetry by Sovereign Hill craftsmen. Gate 2 was re-built after an attempted break-in, two former house sites were cleared for use as horse paddocks and new fencing lifted staff cottage facilities.

Technical Services replaced Victoria Theatre lighting, and our gardeners, led by Cherrie Neale, delivered 18km of fairy lights into the Outdoor Museum for 'Winter Wonderlights'. With 'Winter Wonderlights' attendances sometimes exceeding 10,000, families

appreciated the Play Space and excellent hospitality by our catering lessees, Delaware North.

In November, the Management Team and OH&S Manager Tracey Lewis-Jones participated in a strategic risk workshop conducted by Pitcher Partners, which was designed to ensure a clear understanding of the strategic risks faced by our business and a proactive approach towards the implementation of key risk mitigation activities.

OH&S presentation topics for monthly staff meetings focused on emergency preparedness and the identification of hazards. To ensure compliance with current OH&S legislation, policies and procedures are reviewed regularly, risk assessments are undertaken and each department conducts OH&S self-audits twice a year to identify areas that could be improved to ensure the safety of staff, volunteers, contractors and visitors.

HISTORIANS

During History Week, for the annual Weston Bate Memorial Lecture, we were pleased to welcome Guest Speaker Professor Joy Damousi, Professor of History in the School of Historical and Philosophical Studies at Melbourne University. Professor Damousi presented an engaging lecture entitled 'Ballarat: Local History in a Global World'.

As this was the first lecture since the passing of Professor Bate, his son, Chris Bate, and former



Sovereign Hill CEO, Peter Hiscock, spoke on the valuable contribution of Weston's work to Sovereign Hill and the wider Ballarat community.

The Gold Museum hosted the launch of 'A Global History of Gold Rushes', edited by Dr Benjamin Mountford and Dr Stephen Tuffnell – a series of essays by international authors. Guests enjoyed a panel discussion about Sovereign Hill's role in telling a global goldrush story. Chaired by Dr Sarah Hayes, the session included Dr Ben Mountford, Guest Author Professor David Goodman and Sovereign Hill's Historians, Dr Jan Croggon and Anna Kyi.

The 'Big Picture' historical refresher training program presented a diverse range of topics relevant across the organisation. Sessions included staff reports on overseas visits to peer institutions, the development of 'Wonderful Things' at the Gold Museum, the environmental impact of gold mining, Australians in the midst of the California gold rush, costume quizzes, 1850s food, bee keeping, and the geology of gold mining.

INTERPRETIVE PROGRAMS

Sovereign Hill's talented interpreters worked as a team with our historians and costume experts to bring life to the busy Outdoor Museum. Interpretive Programs introduced unique after-hours school programs for over 16,000 students during AURA's installation. 'Two Friends Productions' were engaged to present 'Peter Lalor and the Rush for Gold'. Based on the Eureka

Rebellion, the play alternated with our own pantomime.

Also conceived as a short-term evening show replacement, demand for the Lamplight Tour has seen this popular experience of the 'darker' goldfields become a seasonal regular.

Experiments continued with the challenges of a 2-day interpretive theatre program cycle for second-day visitors. The 'Politician on the Hustings', inspired by recent political campaigns, proved topical and popular.

Four different school holiday programs focused on baby animals, a magic show, 'Lost Trades' and 'Winter Wonderlights'. The magic show, developed in-house, has joined the evening pantomime program for schools, as has 'Beauty and the Beast'. 'Winter Wonderlights' 2019 featured a new shadow puppet play entitled 'The Gingerbread Man', a new Bellman/Town Crier character, and Christmas carolling, while St Nicholas and 'Mary' Christmas announced daily 'faux' snowfalls.

In October, Lucy McNeil travelled to Europe and the UK to experience and learn from other outdoor museums: Beamish Living Museum, Ironbridge Gorge Museums, Black Country Living Museum and Den Gamle By. Each interprets a different era in its own operational style, but all face similar challenges to ours. Our 2019 Easter 'Lost Trades' program was one activity inspired by Lucy's visits to our peer museums.

EDUCATION

SOVEREIGN HILL EDUCATION

Sovereign Hill Education creates quality Victorian curriculum-aligned education programs and events which receive positive feedback and strong repeat patronage from schools. Record visitation saw a total of 100,828 student days at Sovereign Hill, the Costumed Schools and Narmbool, and 109,693 student days with the addition of Gold Museum attendances.

Sovereign Hill Education acknowledges generous support from the Catholic Education Commission of Victoria and the Victorian Department of Education through its strategic partnership programs. The latter also assists Narmbool and Gold Museum Education.

Our teacher-qualified and experienced Education Officers develop new learning activities as curricula and teacher expectations change. They recently published a teaching kit entitled 'The Environmental Impacts of the Victorian Gold Rushes' and a teacher resource for AURA.

Special events like the Gnarrwirring Ngitj Lecture (featuring Wadawurrung women Tammy Gilson and Melinda Kennedy), Book Week, 'Christmas in the Colonies', Eureka Day and Chinese New Year remain popular locally. Bishop Peter Connors delivered mass in St Alipius' Diggings School, which was well attended by local Catholic schools. Inclement weather caused the cancellation of the 2018 Corroboree by Full Moon. We are planning a 2019 event.

Professional learning opportunities showcasing AURA and a Reconciliation Week event attracted pleasing local interest. Sovereign Hill Education joined the History Teachers' Association of Victoria (HTAV) to present the 2019 Regional Summit at Sovereign Hill. The conference rated highly and attracted increased bookings.

Melbourne Museum and Sovereign Hill Education co-convene the Humanities and Culture Strategic Partnership Program Network, which delivers professional learning for GLAM (galleries, libraries, art galleries and museums) sector educators. Both sessions drew state-wide interest.

Sovereign Hill Education thanks Bookings Officers Zeta Mroczkowski and Kathy Jarvis, whose meticulous and considered work is invaluable to the success of the programs.



EDUCATION

Narmbool Education continued to grow its successes and synergise its relationships with key partners, schools and programs. In 2018, for National Science Week, a three-way partnership with Youthrive Victoria (the former Macpherson Smith Rural Foundation) Leadership Camp and Ballarat Tech School initiated 'Game Changers and Change Makers' – a ground-breaking bush foods program. In July, Youthrive participants helped Narmbool's Education Officers and gardeners create a new Indigenous food garden at the homestead. This was later planted out by students from Loreto and Phoenix Colleges, Ballarat. Students learnt how Aboriginal people use Indigenous plants and then cooked and sampled bush foods at Ballarat Tech School.

Narmbool's 20 Million Trees project has been successfully incorporated into school camp programs. During suitable planting months, visiting schools have reinforced their learnings about the environment and sustainability through the direct impact of tree planting. It is heartening to see the pleasure that these enthusiastic young people take from their physical contributions to our landscapes and environment.

For the third successive year, Narmbool Education programs have grown with almost 2,200 students (an increase of almost 17% over last year) attending. Growth is expected to continue as new facilities, such as the Hugh D T Williamson Field Centre, the Narmbool Stables and the Observatory become available later in 2019.

Finally, we thank Kim Sharp whose 2-year commitment as an Education Officer from April 2017 had a remarkable influence on thousands of young people.

SOVEREIGN HILL COSTUMED SCHOOL

The Sovereign Hill School's new Principal, Janine Baker, leads a team comprising one other Department of Education and Training (DET) teacher, a DET business manager and six Sovereign Hill-employed teachers.

The high caliber of the goldfields school program was recognised by the 2019 Museums & Galleries National Award for Interpretation, Learning and Audience Engagement, Level 4.

Sovereign Hill School also secured a 2019 Bank First Teaching Initiative Grant of \$2,000 to digitize the picture storybook 'Bound for the Colonies' so that schools have easy access to age-appropriate, historically-accurate information about the sea journey to the colonies and shipboard conditions for passengers. This knowledge will help students step seamlessly into the immersive experience of the costumed schools.

Plans to mark the 40th Anniversary of the Costumed School Program in November 2019 are well underway. Past students will be invited to share photographs and memories of their costumed school experience in a competition which will see ten winners participate in a fully-costumed re-enactment of their student days in the Red Hill National School, followed by afternoon tea for invited guests.

Feedback from visiting schools remains excellent and bookings for a costumed school visit and accommodation in 2020 have been fully allocated, with a waiting list.

The School wishes to acknowledge the support of its School Council, led by Ann Campbell, Sovereign Hill Board and Management and the Sovereign Hill staff and volunteers who assist in the daily running of its programs.

GOLD MUSEUM

'A Victorian Silhouette' and 'Wonderful Things' were very successful exhibitions which highlighted key elements of the Gold Museum Collection. The Victorian-era costume collection was showcased, with Sovereign Hill's expert Costume Department replicating original dresses for use in the Outdoor Museum. The Gold Museum celebrated its 40th Anniversary with the opening of 'Wonderful Things' by Life Governor Bill McGregor, whose special interest in the Gold Museum dates from its inception. This exhibition represented the Gold Museum's unique role as custodian for the objects and stories that underpin the Sovereign Hill experience, but also the unique heritage of Ballarat and its surrounding goldfields.

During 'A Victorian Silhouette', the Gold Museum partnered with the Costume team to host an active public program including lectures, historical costume conservation workshops and 'sew-along' activities.

Held in partnership with the Professional Historians' Association, 'Curious Collaborations' included dedicated tours of 'Wonderful Things' and the back-of-house collection stores, as well as panel sessions on the importance of collaborations across the cultural heritage industry. In a joint exercise between the Gold Museum and the Ballarat Arts Foundation, for example, 'Wonderful Things' featured music created specifically for the exhibition by local composer, Danial Tusjak.

The Museum was active in Chinese New Year celebrations, with curatorial and collections teams presenting floor talks, back-of-house tours, a conservation corner and a wishing tree. In 'Meet the Conservator', Jacinta Brown from the Grimwade Centre for Cultural Materials Conservation (GCCMC), introduced visitors to the Chinese lion conservation project.





Conservation of the 1897 Chinese processional assemblage, specifically the lion and the dragon, was supported by private donors through the 'Awaken the Dragon' appeal and two important grants. A \$9,000 grant from the Community Heritage Grants program, administered by the National Library of Australia, combined with monies raised through the 'Awaken the Dragon' appeal, to fund the conservation of the Chinese processional lion.

The Copland Foundation recognised the considerable cultural heritage value of the Chinese processional dragon 'Loong', supporting its conservation with a \$38,800 grant – the total cost of work by the GCCMC at the University of Melbourne, the same laboratory that completed conservation of the lion.

Assisted by private financial donors and the Sir Henry Bolte Trust, The Sovereign Hill Museums Association Collection continues to develop. Acquisitions included a small gold ring with diamonds and sapphires and the engraving 'Ballarat 1858', and a silver kilt pin made for the Caledonian Society of Ballarat and awarded to Robert Paton Esq. for winning a foot race in the 1861 Ballarat Caledonian Games. Other major acquisitions included a rare cameo demi-parure (brooch and earrings) dated to the 1870s and a presentation target rifle belonging to J T Sleep, who was a significant Ballarat jeweller, a Major in the 3rd Ballarat Volunteer Rangers and an international target rifle shooting competitor.

Funding from the Department of Education Strategic Partnerships Program supports the Gold Museum's Education Program. Education and Public Programs Officer Sara Pearce created several activities unique to the Gold Museum. They include four new facilitated

programs (two with back-of-house components) and three 'Discover It Yourself' trails, one of which is the Mindfulness Trail – a self-guided activity helping students to look at the Museum in a new way. The trails are set to help students connect with what they see through focus, interpretation and reflection.

The on-going partnership with the Victorian Chamber of Commerce funded three paid tertiary Museum Studies student internships in 2018 and a further three for 2019. Working in collections, exhibitions and historical research, the interns have provided valuable assistance, with many progressing to new industry positions. This program is unique in Australian museums, and the quality of applicants remains excellent.

The Gold Museum continues to work closely with its many collection partners including the Ballarat Historical Society, who base their activities and monthly meeting at the Museum. The following groups also store their collections at the Gold Museum under a Memorandum of Understanding and regularly work with the Museum to improve research and access to those collections: Ballarat Apex; Ballarat Arts Foundation; Ballarat National Theatre; Ballarat Region Girl Guides; Ballarat Sports Museum; City of Ballarat; National Trust Ballarat; and, Zonta Ballarat.

The support of the Gold Museum Committee and its Chair, Dr Judy Verlin AM, is gratefully acknowledged, as is the on-going work of the Gold Museum Society volunteers. The Museum would also like to acknowledge the support of Creative Victoria and its Organisational Investment Program.

NARMBOOL





The last 12 months has been an exciting time at Narmbool as our historic pastoral property continues to progress from a phase of bushfire recovery to one of renewal and expansion. Along with growth in education program numbers and facilities, there has been consolidation and growth in our weddings and events business. Visitor numbers have increased, as has demand for accommodation and dining offerings. A successful series of themed High Teas, including High Tea for children during school holiday periods, attracted consistent bookings and positive feedback.

The first Narmbool Bridal Fair was held in March 2019. This bespoke event showcased our historic venue and trusted suppliers, promoting Narmbool as a first choice for couples planning their special day. The success of this event was a highlight on the calendar, along with the Narmbool Open Day, which was trialled in December to accommodate a number of changes in the regional event landscape. Despite unseasonably cool and windy weather, Open Day was well attended and an expanded offering to visitors, including a viewing of the Stables Complex, access to the walking track to Echidna Dam and the Lodge, and a greater capacity for dining, resulted in an enhanced experience. Visitor comments on the garden were overwhelmingly positive – a testament to the outstanding work by our staff to maintain, develop and improve this unique space.

These initiatives also capitalised on the significant future proofing work to the Garden Room restaurant and the homestead that was successfully completed in 2018. The homestead veranda was completely re-built

while refurbishment of the Garden Room interior lifted available space, as well as design and functionality for all user groups.

Farming operations are always complex, and conditions for success are never the same, but a much drier and hotter year than average led to additional challenges for our farming team. Lamb prices continue to rise with the costs and challenges of production, and we are fortunate to have Peter Rooney's industry expertise and foresight to guide us through this period. Peter has already outlined and begun to make several changes for the coming year that will have a positive impact on productivity, as well as financial and environmental sustainability. Rainfall was above the annual average for this winter – a positive sign for lambing season.

A visit from the Honourable Linda Dessau AC, the 29th Governor of Victoria, as part of her Sovereign Hill itinerary, highlighted the continued importance and relevance of Narmbool as both an historic property and an immersive educational experience. It was particularly exciting for students of St Anthony's Primary School from Lara, who were on camp at the time, to meet our first female Governor.

In closing, we acknowledge the outstanding on-going presence and assistance of Robin and Andrew Ferry and their family for our direction at Narmbool, along with the support of the Hugh D T Williamson Foundation and the Montgomery Foundation.

THANK YOU



JANE COWLES

Jane Cowles has devoted her adult life to supporting Sovereign Hill and other bodies within our city's arts, culture and tourism sectors. Her special bond with Sovereign Hill, however, stems from childhood days when her father, Doug Cowles, was a dynamic local business man leading the group which founded Sovereign Hill.

Elected to the Board in 2003, Jane served as President from 2014-16. She chaired the Board's Outdoor & Mining Museum, Gold Museum and President's Advisory Committees, and served on several others. She also joined Board study tours to other cultural heritage institutions.

Sovereign Hill reached several key milestones while Jane was President: the 2014 Victorian Tourism Award for Major Tourist Attraction; the Ernst Young Economic Impact Study showing Sovereign Hill's significance to the Victorian economy; an \$8m Victorian Government grant for 'Sovereign Hill by Day and by Night'; and, record day attendances.

Major new capital works included R. Gibbings, Livery & Bait Stables and the 'Bright Visions' orientation centre, and refurbishment of the United States Hotel Dining Room, the 'Ballarat Times' Office and the Quartz Mine Portal. Sovereign Hill and the Wadawurrung people staged the 'Gnarrwirring Ngiti' festival and, with City Council and community groups, Ballarat's Open Chinese Monument was delivered. Mine tours, 'Christmas in July: Winter Wonderlights' visitation and our operating profit achieved record highs.

Jane retired from the Board on 26 March 2019 but remains a keen supporter and advocate. We thank Jane most sincerely and wish her well as she and her partner, John, pursue new directions in their retirement.



RICHARD NICHOLSON

Richard Nicholson became involved with Sovereign Hill in 1996 and was elected to the Board in 1998. He was President from 2006-08 and served on many Board Committees, notably the Sir Henry Bolte Trust, The Sovereign Hill Foundation and Finance & Risk. Richard retired from the Board on 30 April 2019.

As a Civil Engineer, Richard brought to us skills and knowledge acquired through managing his family's construction business. Richard had also gained extensive experience as a Director of both not-for-profit and government organisations. He sat on the Board of the Committee for Ballarat from 2010-12 and was a Director of Central Highlands Water from 2011-15, serving as Deputy Chair during his tenure.

Key initiatives during Richard's term as President included: re-development of the Chinese Camp; the launch of the mine's inclined tramway; a major entrance building re-development; accommodation within Steinfeld's Furniture Factory; the opening of St Alipius' Diggings School; the publication of 'A Golden Vision: The Story of Sovereign Hill'; a Smart Water Project; the establishment of the annual Gold Sovereigns luncheon; and, the signing of a Memorandum of Understanding with the Ballarat & District Aboriginal Co-operative. As well, the corpus of The Sovereign Hill Foundation reached \$1m.

More recently, Richard's passion for historic motor vehicles and his Chairmanship of the Sir Henry Bolte Trust Committee combined to launch the annual Classic Car Tour fundraiser in November 2017.

As we thank Richard, we are pleased to note that he and his wife, Paula, will retain an active association with Sovereign Hill through some of our key supporter groups.



TERRY LLOYD

Emeritus Professor Terry Lloyd has a long history of local community involvement – and especially with Sovereign Hill.

Elected to the Board in 2007, Terry was Senior Deputy Vice-Chancellor of the University of Ballarat (now Federation University Australia) and brought to us vast education experience from the University and TAFE sectors. He served as our Board President from 2012-14.

As a member of the Board's Finance & Risk Committee, Terry's expertise in good governance was most valuable as the Board set out its successive Corporate Strategic Plans. As Board President, he oversaw changes to the Association's Memorandum and Articles to provide for a revised annual election. Two highlights of Terry's term as Board President were the opening of the Gold Museum Collections & Research Centre and the Interpretive Exhibition at Narmbool.

Narmbool's development as a first class environmental education resource, set within a sustainable farming operation, was a strong interest for Terry, who served as Chairman of the Narmbool Committee.

The Board also commissioned its first independent economic impact consultancy studies to illustrate Sovereign Hill's significance to the Victorian and regional economies.

Terry retired from the Board on 28 April 2018, but soon found himself approached to take on the role of Chief Executive Officer while the Board completed its search for someone to replace long-serving CEO, Jeremy Johnson. Terry generously agreed and took on this considerable responsibility until Sara Quon took up the permanent position.

Terry and his wife, Sue, remain generous donors and staunch advocates for Sovereign Hill. As we thank him sincerely for his service, we wish them both well in their retirement.



STEVE COLTMAN

Elected to the Board in 2003, Steve Colman served as Board President from 2010-12 and was a member of several Board Committees and The Sovereign Hill Foundation.

Steve was already active in the local community when he joined us. As a commercial insurance advisor with a business background, his expertise was valuable to the Board in its on-going Strategic Planning processes.

Sovereign Hill plays a key role in the regional tourism and education sectors. As President, Steve lobbied government to keep Sovereign Hill front-of-mind in its allocation of resources.

A major highlight of Steve's Presidency was the Board's study trip to outdoor museums in the United States. Two key learnings remain central to our survival: capital fundraising and infrastructure renewal. The Sovereign Hill Foundation reached its \$2m milestone while Steve was President.

In 2010, Steve hosted Sovereign Hill's 40th Anniversary celebrations during which we were feted with a civic reception by the City Council, strong supporters with whom we have always enjoyed close links.

The opening of the Sovereign Hill Café in 2010 cemented our long-term relationship with our catering contractors, Delaware North Companies Australia, and the Soho Works Ferrous Foundry exhibit opened in 2011 as an adjunct to our story of early industries in Ballarat.

Another initiative during Steve's tenure was the founding of the President's Club which seeks to build a future supporter base by engaging with young Ballarat families.

Steve retired from the Board on 31 August 2019. We thank him most sincerely and extend our best wishes to Steve, his wife Michèle, and their family.

THE SOVEREIGN HILL FOUNDATION

Established in 1996 as an internal fund of The Sovereign Hill Museums Association, the Foundation provides a capital base which is invested to underpin Sovereign Hill's long-term financial viability.

We would like to acknowledge the donors who have made further contributions, over and above their initial pledge of \$25,000, to the following Named Accounts in the 2018-19 financial year: The Isobella Foundation, The Colin & Shirley Prowse Family Gift, The Peter and Richard Nicholson Family Gift, Bruce & Kay McKnight Bequest, Ross & Elizabeth Wilkie, Delaware North Companies Australia and Adroit Insurance & Risk (Directors).

We thank the Foundation Chairman, Dr Ross Wilkie, for his leadership, and the Named Account donors listed below who have so generously supported the Foundation. Their donations have grown significantly over the years through careful investment practices which are vital to the Association's future financial security.

The Peter and Richard Nicholson Family Gift
Jane Cowles Bequest
The Isobella Foundation
Delaware North Companies Australia
McDonald's Australia
D & J McKenzie Account
Bruce & Kay McKnight Bequest
The Colin & Shirley Prowse Family Gift
G H & A J Troon Account
S J Weir (Ballarat) Pty Ltd Account
Ross & Elizabeth Wilkie
Voi Williams Family Gift
The Barry James Account
The John & Catherine Davis Account
Jim and Betty Gay Family Gift
Jeremy & Anne Johnson Family Gift
JG King Pty Ltd
Terry & Sue Lloyd Gift
Jim & Irene Stephen Account
Gull & Company Gift
Adroit Insurance & Risk (Directors)
Doug Sarah & Penny Russell (Win Sarah Memorial) Gift
Dorothy & David Baird and Family Gift
Sophie and Steven Coltman Family Gift
Neil & June Jens Family Account
John Collier Bequest
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Bruce & Adela Bartrop Account
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City of Ballarat
Victorian Government Regional Growth Fund
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Catholic Education Commission of Victoria
Victorian Government Department of Education and Training

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1/7/18 to 30/6/19

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The Copland Foundation
The Estate of G W Torney
The Isobella Foundation
Unmack R & M
Walker G
Wilkie G
Wilkie R

CORPORATE MEMBERS

Sovereign Hill appreciates the support of our Corporate Members from both Ballarat and further afield. Events held at Sovereign Hill present opportunities for Members to develop their business objectives, and we are pleased to share business links with many of them. All Corporate Members enjoy a generous range of benefits through their membership, and we welcome enquiries from other organisations who may wish to join this cohort.

A W Nicholson Pty Ltd
Adroit Insurance & Risk
Ballarat Coachlines
Ballarat Holden
Ballarat Property Transfers
Ballarat Turf Club
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Selkirk Brick Pty Ltd
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Sovereign Press Pty Ltd
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PROSPECTORS

The Prospectors are some of our most valued advocates. In addition to their membership subscription, they make a voluntary donation towards the Sir Henry Bolte Trust, for which we are most appreciative. Over the past year, the Prospectors enjoyed a special tour of the original New Normanby mine site and a behind-the-scenes visit to our Wheelwrights.

PATRON

Moneghetti S

MEMBERS

Ashley G	Lloyd T
Ball D	Lyons L
Bowman B	McGregor B
Bradie D	McKnight B
Brooke D	Miller J
Burt D	Moss S
Campana T	Nelson J
Carter R	Oliver N
Chandler I	O'Sullivan F
Chapman W	Owen G
Chester D	Perrin K
Coltman B	Pierce J
Corcoran I	Plaatzer W
Cowles J E	Plush J
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Glover J	Webster M
Gow D	Wilkie G
Hayden R	Wilkins R
Howe S	Williams V
Kannourakis G	

SIR HENRY BOLTE TRUST COMMITTEE

The Sir Henry Bolte Trust is an internal fund of The Sovereign Hill Museums Association that supports Sovereign Hill by funding acquisitions to underpin our historical research and help build our museum collections. Sir Henry provided the seed funding for the Trust, knowing that the capacity to build a significant collection was vital to Sovereign Hill's future.

We thank the volunteer committee members who oversee the work done by the Trust:

Nicholson R (Chair)	Thompson D
McKnight B (Deputy Chair)	Trudgeon R
Elder S	Butler D (Ex-officio)
McGregor W	Lloyd T (Ex-officio: to 20/1/19)
McNamara P	Quon S (Ex-officio: from 21/1/19)
Prowse C	

THE SOVEREIGN HILL MUSEUMS ASSOCIATION

PATRONS

The Hon. John Cain
The Hon. John Brumby AO
The Hon. Steve Bracks AC
The Hon. Jeffrey Kennett AC
The Hon. Denis Naphthine
The Hon. Ted Baillieu

CIVIC PATRONS

Mayor of the City of Ballarat, Cr Samantha McIntosh
Chancellor of Federation University Australia, Terry Moran AC

PATRONS OF NARMBOOL TRUST

Andrew Ferry OAM
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Vice-President – Dr Judy Verlin AM
Chris Alizzi
Angela Carey
Steven Coltman
Jane Cowles (to 26/3/19)
Adrian Doyle
Peter McCarthy
Richard Nicholson (to 30/4/19)
Annemaree Perry
Janelle Ryan

SENIOR MANAGEMENT

CHIEF EXECUTIVE OFFICER

Emeritus Professor Terry Lloyd (to 20/1/19)
Sara Quon (from 21/1/19)

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Director – Commercial & Operations	Will Flamsteed
Director – Visitor Experience	James Baker
Director – Engineering & Infrastructure	Chris Hutton
Director – Finance & Corporate Services	Pat Clifford
Director – Marketing	Jennifer Ganske
Director – Museums (to 24/5/19)	Jillian Marsh

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Finance & Risk Committee	Alizzi C
Gold Museum Committee	Verlin J
Outdoor & Mining Museum Committee	McCarthy P
President's Advisory Committee	Butler D E
Fundraising Committee	Nicholson R
Narmbool Committee	Doyle A K
Sir Henry Bolte Trust	Nicholson R
The Sovereign Hill Foundation	Wilkie R

COMMUNITY SUPPORT

We are grateful for the on-going support of the following members of the community who serve on Board committees, Trusts and Foundations associated with Sovereign Hill:

Bruce G	McKnight B
Carlson M	McNamara P
Cuttle M	Moneghetti S
Elder S	Prowse C
Ferry A	Thompson D
Ferry R	Trudgeon R
McGregor W	Wilkie R

Auditors	MOR Accountants
Bankers	National Australia Bank
Mining Consultant	Darveniza P
Numismatics Consultant	Sharpley J

LEASED BUSINESS MANAGERS

Catering – Delaware North Companies Australia Pty Ltd
Soho Foundry & Clarke Bros Tinsmiths – Bilney P & F

SOVEREIGN HILL EDUCATION

Barnes A
Dowler M
Hoban P
Minotti D
Pearce A
Sharp K (to 21/6/19)
Willison M

SOVEREIGN HILL SCHOOL

McArthur G (to 21/1/19)
Baker J (from 21/1/19)
Borner L
Hayward J (from 8/10/18)
Middleton A
Ravisa J
Rosestone S
Woolfe C (from 8/10/18)
Young G

GOLD MUSEUM EDUCATION AND PUBLIC PROGRAMS OFFICER

Pearce S

HONORARY MUSIC HISTORIAN

FitzSimons T

HONORARY MINING HISTORIAN

d'Auvergne P

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Alciati L	Croggon J	Grootveld R	Lacy M	Payne M	Tonkin D
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Al-Huneidi L	Curran B	Hall K	Lannan A	Perkins D	Treloar N
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Anderson M	Dando M	Hansen K	Laverick T	Petter A	Trigg A
Armstrong G	Darveniza P	Hansen R	Leak D	Pezzutti R	Trigg G
Armstrong M	Dean C	Harris T	Lee B	Pierce J	Tseng A
Armstrong M	Deeks M	Harrison A	Lees N	Pierce K	Van de Wouw M
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Ashman E	D'Ombra N	Harvey R	Leslie S	Pitt J	Walker K
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Bailey S	Drake J	Hazell T	Li Y	Pope J	Wang X
Baker S	Drew E	Heinrich T	Liang X	Porteous J	Wang Y
Bandy M	Duffin D	Henderson S	Littlejohn M	Powell L	Warr S
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Bignell T	Farnsworth T	Hollywood D	McDonald M	Richards P	White S
Billerwell R	Featherstone J	Hore B	McGarry A	Richardson C	Whitehouse D
Billing T	Feng Z	Hoskin W	McKenzie S	Richardson J	Wilkinson S
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Bourke L	Forbes S	Hunter S	Merryfull J	Romeyn C	Wu Q
Bourke M	Ford J	Hurst M	Mitchell A	Rowe C	Wu R
Bradley L	Ford J	Ibbotson J	Mitchell S	Russell J	Xiao B
Broadway J	Ford R	Ingram S	Mooney L	Sakkis J	Yan H
Brown C	Forster L	Inkester S	Morcombe K	Sanders V	Ye J
Buckland-Shelton A	Forster N	Ioannucci S	Morganti A	Sandry A	Yuan S
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Burke C	Freeman S	Isle J	Morshead W	Schaper P	Zhang Y
Burns J	Freeman W	Jamieson F	Moss K	Schenk R	Zhao Y
Bykersma C	Fry M	Jarvis K	Mould M	Scott W	Zhong L
Callaghan A	Fullerton M	Jarvis Z	Mroczkowski Z	Shacklock T	Zhou Y
Cameron A	Fyfe A	Jenkin B	Murrihy S	Sheard R	Zou G
Caruana S	Gamble P	Jenkins S	Nash M	Simmons S	
Cassidy G	Gardner K	Jensen L	Neale C	Simpson H	
Chadwick A	Gervasoni J	Johnson L	Neil D	Skewes L	
Chandler A	Geurts A	Johnston M	Nicholls S	Smith C	
Clarke S	Gibson J	Jones G	Nikoloff D	Smith M	
Cluff M	Gibson S	Jones M	Nuridin J	Smithers H	
Coats T	Gillett E	Jones M	Oakley P	Stephan B	
Cody C	Gillett E	Kaess M	O'Brien K	Stewart S	
Cody S	Godber L	Karlovic M	O'Brien W	Stowe K	
Collins M	Golding J	Kay B	O'Gorman J	Strange A	
Connell H	Goossens J	Keirl D	O'Gorman K	Sunter J	
Cornwell K	Graham L	Kennedy P	O'Keefe T	Szentandrassy V	
Corrigan T	Gray S	Kent E	O'May S	Tatham S	
Cosic S	Greenbank C	Kinder A	Osborne D	Taylor C	
Costello Z	Greenbank K	Knight O	Page J	Taylor L	
Coulson T	Griffith C	Koch E	Paine B	Thompson J	
Cowan A	Grima A	Kraus D	Park V	Tian J	
Cox J	Grimes K	Kyi A	Paterson H	Tink A	

FRIENDS OF SOVEREIGN HILL

Dressed in period costume appropriate to their role, the Friends of Sovereign Hill undertake a large range of interpretive activities to enhance the visitor experience and provide invaluable support to the functions of the Outdoor Museum.

FOSH play a significant part in supporting school programs run by Sovereign Hill Education and the costumed goldfields schools. Programs such as the Ragged School give visiting children an exciting immersive experience, and the support of volunteers is vital in helping students learn about the heritage trades and crafts practised around the Outdoor Museum.

Recent trend research in Australia shows that volunteering is now, more than ever, an important part of skills acquisition. Volunteers have the opportunity to gain valuable work experience within the museum sector, undertake relevant training and up-skilling programs,

and participate in and contribute to community networks. The FOSH program also offers opportunities for personal development, enabling individuals of all ages and abilities to build confidence and self-esteem.

In the past year, we have continued to develop new opportunities that allow volunteers to demonstrate or advance their skills and interests so that they can reap the personal rewards of volunteering whilst also providing a unique visitor experience.

The FOSH volunteer program is managed by Kelly Bevan and Sharon Murrihy, who are supported by the elected FOSH Committee: Steve Barber, Ken MacKay, Marion McGill, Sue Morse, Alan Pegg and Cilla Ryan.

We thank all of our volunteers for their continued support and service.

Anderson K	Danziger A	Hill J	McGill M	Schmidtke M
Ashford M	Danziger B	Hocking K	McGreehan R	Schmidtke R
Baker M	Danziger H	Hogbin M	Meadows L	Schmidtke R
Balfour L	Danziger H	Holmes A	Meadows Z	Schmidtke R
Barber L	Danziger T	Holmes G	Mewett D	Schmidtke S
Barber C	Davis D	Holmes K	Meyers D	Segaert C
Barr A	Deverall S	Howard J	Miller J	Sevior E
Baum L	Douglas M	Howse A	Milton A	Sheath G
Bavage R	Drever Y	Hughes G	Morse S	Sheppard L
Benjsson A	Duthie M	Humphries B	Moss V	Sjogren G
Bentley G	Ellis C	Hunter B	O'Connor R	Slattery A
Bischarde A	Fahey J	Hussie S	O'Donoghue-Hayes G	Spall W
Bischarde V	Fawcus V	Irons T	Opie B	Staggard C
Bone R	Filmer J	Jamali E	Osborne K	Staggard L
Boss B	Fiorenza J	Johannsen L	Osborne R	Stickland S
Boss B	Fiorenza N	Jones M	Pegg A	Suttie R
Boss P	Fithall C	Keaney M	Phillips J	Thomas J
Bourke M	Fithall J	Kearney L	Pierotti L	Thomas M
Brae J	Freeman C	Khadem P	Rayner M	Thorne A
Brennan E	Freeman E	Kieni-Judd F	Reus B	Thorne K
Briscoe M	Freeman E	Kucera K	Rhodes I	Thorne N
Brodrick K	Freeman E	Ladiges E	Richardson J	Tye D
Bull J	Freeman J	Ladiges S	Robe L	Vanstan A
Campbell J	Freeman L	Learmonth H	Roberts L	Walsh B
Campbell T	Gavan B	Learmonth H	Robinson S	Warfe K
Carter S	Gekas G	Levey G	Rothe D	Warfe T
Clark M	Gellis V	Llewellyn W	Royle K	Warwick
Clark R	Giesen H	Lockyer K	Ryan C	Warwick
Clark S	Giesen J	Macey S	Ryan P	Wawn C
Clark V	Giesen K	MacKay K	Sander J	Welsh K
Clough A	Gillespie P	Matthews S	Sander P	Wheaton R
Clough J	Gladman B	McCallum R	Sandler C	Whetton N
Clough K	Gunston P	McCausland B	Schmidtke A	
Cooper A	Hayes S	McClellan A	Schmidtke C	
Corden H	Hickson C	McClellan G	Schmidtke J	
Crump L	Hickson G	McErvale M	Schmidtke J	

THE GOLD MUSEUM SOCIETY

The Gold Museum Society volunteers makes a real and valued difference to the operations of the Gold Museum. The volunteers work alongside staff, but in complementary roles. They contribute to the development of museum activities as well as day-to-day operations, they ensure a warm welcome for visitors and they promote the Museum in the wider community.

The Gold Museum relies heavily on its volunteers to carry out many tasks – both dealing with visitors, and behind-the-scenes in collections and research. Their support allows the Museum to provide additional services to the general community and improve the accessibility of its extensive historical collections.

Volunteers present guided tours of the exhibition galleries every afternoon, ensuring the best possible visitor experience. Here, the ‘touch trolley’ holds an intriguing display of mysterious collection items.

Behind-the-scenes, the Gold Museum relies on its volunteers to help with cataloguing, indexing, transcribing, scanning and researching its extensive historical collections. ‘Back-room’ volunteers are able to use existing skills, but also develop new knowledge and skills, with training provided for each activity. Some volunteers have gone on to pursue careers within the museum sector.

The Gold Museum Society is coordinated by Joanne Gervasoni and supported by a committee of volunteers, comprising Vicky Lowe, Peter Bond, Margaret Ashford, Brenda Robertson, Elaine Maberly and Ann Crick.

Akers B	Long T
Ashford M	Lowe V
Backhouse N	Luhrs M
Ball A	Maberly E
Beggs Sunter A	Mackay K
Blythman M	McGregor W
Bond P	McMillan J
Bradby D	McPhan S
Brae J	McPherson B
Christie B	Mitchell P
Christie H	Mooney G
Clark M	Moss V
Crick A	Muir H
Curnow M	Netherway N
Cuttle M	Ni Shiochain M
D'Angri N	Noonan R
D'Angri V	O'Brien T
Deans S	O'Loughlin K
Effrett I	Overington J
Grant D	Phillips J
Hamilton J	Pratt D
Hunter H	Prowse S
Jacks L	Roberts D
Jeffery L	Robertson B
Johannsen L	Smith M
Kelly L	Spielvogel D
Krummel S	Spielvogel V
Lacy B	Stone W
Llewellyn W	Taylor S



FINANCIAL REPORT

2018.2019

The Sovereign Hill Museums Association

ABN 87 565 053 651

BOARD PROFILE



Mr D E Butler
President

Chairman of the President's Advisory Committee. Ex-officio member of all Board Trusts and Committees. Director of a Chartered Accountancy Practice.



Mrs S J Quon
Chief Executive Officer
(from 21/1/19)

Member of the Visit Victoria Board. Formerly Group CEO of Beechworth Honey with a 20-year career spanning the tourism/major events and the food sectors.



Emeritus Professor
T M Lloyd
Chief Executive Officer
(from 25/5/18 to 20/1/19)

Elected to the Board in 2007. A Past-President. Consultant. Former Deputy Vice-Chancellor of the then University of Ballarat.



Dr J A Verlin AM
Vice-President

Elected to the Board in 2011. Member of the President's Advisory Committee. Chairman of the Gold Museum Committee. A Past-Mayor of the City of Ballarat.



Mr P A Clifford
Company Secretary

Company Secretary from 2013. Director Finance & Corporate Services, The Sovereign Hill Museums Association. Fellow of the Australian Society of Practising Accountants and Association of Chartered Secretaries Australia.



Mrs J A Ryan

Elected to the Board in 2018. Member of the Outdoor & Mining Museum Committee. Stakeholder Relations Director with 14 years' Strategic Communications expertise.



Mr A K Doyle

Elected to the Board in 2010. A Past-President. Member of the President's Advisory Committee. Chairman of the Narmbool Committee. Certified Practising Valuer. Director of a Property Consulting Firm.



Mr S O Coltman

Elected to the Board in 2003. A Past-President. Member of the Fundraising Committee and The Sovereign Hill Foundation. Insurance Advisor.



Ms J E Cowles (to 26/3/19)

Elected to the Board in 2003. A Past-President. Member of the President's Advisory Committee, Outdoor & Mining Museum Committee.



Mr R W Nicholson (to 30/4/19)

Elected to the Board in 1998. A Past-President. Chairman of the Fundraising Committee and the Sir Henry Bolte Trust Committee. Member of the Finance & Risk Committee and The Sovereign Hill Foundation. Civil Engineer and Company Director. Graduate, AICD Company Directors Course.



Mrs A P Perry

Elected to the Board in 2003. A Past-President. Member of the Outdoor & Mining Museum Committee and the Narmbool Committee. Retired Teacher and Family Historian.



Mr C J Alizzi

Elected to the Board in 2017. Chairman of the Finance & Risk Committee. Member of the President's Advisory Committee. Automotive Dealer Principal.



Mr P L McCarthy

Elected to the Board in 2010. Former Board Member (1981-1989). Chairman of the Outdoor & Mining Museum Committee. Mining Engineer and Company Director.



Mrs A L Carey

Elected to the Board in 2016. Member of the Gold Museum Committee and The Sovereign Hill Foundation. Engagement Practitioner.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

DIRECTORS' REPORT

The Directors present this report on the Association for the financial year ended 30 June 2019.
The names of each person who has been a Director during the year and to the date of this report are:

D E Butler President
J A Verlin Vice-President

C J Alizzi	J E Cowles (to 26/03/19)	R W Nicholson (to 30/04/19)
A L Carey	A K Doyle	A P Perry
S O Coltman	P L McCarthy	J A Ryan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The principal activity of the Association is to:

Inspire an understanding of the significance of the Central Victorian gold rushes in Australia's national story, and at Narmbool of the importance of the land, water and biodiversity in Australia's future.

The Association's short-term objectives are to:

- Objective 1 – Build up of cash reserves
- Objective 2 – Conservatively manage the financial operations of Sovereign Hill to match international and domestic tourism market conditions
- Objective 3 – Identify and manage key risks to the Association

The Association's long-term objectives are to:

- Objective 1 – Invest in infrastructure development
- Objective 2 – Maintain Sovereign Hill's independent business model
- Objective 3 – Develop or expand potential and existing revenue streams

To achieve these objectives, the Association has adopted the following strategies:

- Strategy 1 – Growth of Foundation and Sir Henry Bolte Trust
- Strategy 2 – Review Corporate Strategic Plan 2020-2023
- Strategy 3 – Implement and monitor the controls identified in the Risk Register including major focus on Occupational Health & Safety
- Strategy 4 – Implement Infrastructure Renewal Program
- Strategy 5 – Constantly review operational costs and commercial revenues in accordance with the financial objectives identified in the Corporate Strategic Plan 2020-2023
- Strategy 6 – Seek suitable opportunities for new revenue streams and continue strong emphasis on fund-raising

Key Performance Measures

The Association measures its own performance through the use of both quantitative and qualitative measures. These Strategic Key Performance Indicators are contained in the Association's Corporate Strategic Plan and are used by the Directors to assess the financial sustainability of the Association and whether the Association's short-term and long-term objectives are being achieved.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
DIRECTORS' REPORT

The Strategic Key Performance Indicators are:

- Performance against budget in recurrent and capital expenditure particularly operating surplus, status of General Reserve and Foundation funds, insurance premium against sector benchmarks, and membership numbers and income
- Yield per visitor across business areas
- Visitor demographic patterns (international, interstate and domestic)
- Website use statistics
- Occupancy rates for accommodation facilities
- Conversion ratios for Sovereign Hill visit with Quartz Mine tickets, Gold Museum visit, AURA patronage and Sovereign Hill Hotel accommodation
- Environmental performance indicators (including recycling volumes, waste volumes, reduced utilities costs, % water in storage and accessible for use, solid fuel use)
- OH&S incident reports and analysis/mapping
- Workforce demographics (including staff and volunteers, turnover, gender and age mapping and labour costs)
- WorkCover premium rating and claims record

No significant changes in the nature of these activities occurred during the year.

The operating loss of the Association amounted to \$128,640.

The Association is not liable to pay company tax and is not permitted to pay dividends to its Members.

The net assets of the Association have increased by \$2,053,389 from \$73,412,871 as at 30 June 2018, to \$75,466,260 in 2019.

This increase has largely resulted from capital grants and fund-raising activities for capital works.

The Directors believe the Association is in a strong and stable financial position to expand and grow its current operations.

No significant changes in the Association's state of affairs occurred during the financial year.

Related party transactions

During or since the end of the previous financial year no Board Member has received or become entitled to receive a benefit by reason of a contract made by the Association, or a related body corporate with a Member of the Board or with a firm of which a Director is a Member, or with an entity in which a Director has a substantial interest, other than:

1. Motor vehicle sales and services supplied to the Association by a firm of which Mr C J Alizzi is a Director;
2. Insurance brokerage services supplied to the Association by a brokerage firm of which Mr S O Coltman is a Senior Manager;
3. Valuation services supplied to the Association by a valuation firm of which Mr A K Doyle is a Director.

All transactions were on normal commercial terms and conditions, no more favourable than those available to other persons.

Non-audit services

The auditor provided audit services during the year in respect acquittal of a government grant.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

The Attendances of each Director of the Association at meetings for the period July 2018 to June 2019 were:

	COMMITTEE MEETINGS													
	BOARD MEETINGS		FINANCE & RISK COMMITTEE		PRESIDENT'S ADVISORY COMMITTEE		OUTDOOR & MINING MUSEUM COMMITTEE		GOLD MUSEUM COMMITTEE		NARMBOOL COMMITTEE		FUNDRAISING COMMITTEE	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
C J Alizzi	8	6	5	4	11	8	-	-	-	-	-	-	-	-
D E Butler	8	7	5	5	11	10	1	1	1	1	4	3	-	-
A L Carey	8	7	4	3	-	-	-	-	2	1	-	-	-	-
S O Coltman	8	4	-	-	-	-	-	-	-	-	-	-	1	0
J E Cowles (to 26/03/19)	7	7	-	-	4	4	2	2	-	-	3	2	1	1
A K Doyle	8	7	-	-	11	9	1	-	1	1	4	3	1	1
P L McCarthy	8	6	-	-	-	-	2	2	-	-	-	-	-	-
R W Nicholson (to 30/04/19)	7	4	4	3	-	-	-	-	-	-	-	-	1	1
A P Perry	8	7	-	-	-	-	2	2	-	-	4	3	-	-
J A Ryan	8	6	4	4	-	-	1	1	-	-	-	-	-	-
J A Verlin	8	8	-	-	6	5	-	-	2	2	-	-	-	-

Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with Division 60 of the *Australian Charities and Not-for profits Commission Act 2012* for the year ended 30 June 2019 has been received and can be found on the opposite page.

Dated this eighteenth day of September 2019.



D E Butler
President

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
**AUDITOR INDEPENDENCE DECLARATION UNDER DIVISION 60 OF THE AUSTRALIAN
CHARITIES AND NOT-FOR-PROFITS COMMISSION ACT 2012 TO THE DIRECTORS OF
THE SOVEREIGN HILL MUSEUMS ASSOCIATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there have been no contraventions of:

- 1) The auditor independence requirements as set out in Division 60 of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and
- 2) No contraventions of any applicable code of professional conduct in relation to the audit.



D G Abbott

Partner

MOR Accountants

406 Dana Street, Ballarat

Dated this eighteenth day of September 2019.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
Revenue from Operating Activities	2	32,758,621	33,652,750
Other Income	2	391,512	53,039
Employee benefits expense		(16,476,317)	(16,161,278)
Depreciation	3	(2,548,058)	(2,114,410)
Administration, Marketing, Maintenance expense		(11,177,095)	(11,106,262)
Cost of Sales		(2,760,093)	(2,762,196)
Other expenses		(317,210)	(265,287)
Operating Profit	3	(128,640)	1,296,356
Capital receipts	2	2,547,527	4,601,200
Result for the year attributable to the Members of The Sovereign Hill Museums Association		2,418,887	5,897,556
OTHER COMPREHENSIVE INCOME			
Fair value (losses)/gains on available-for-sale financial assets		(365,498)	348,347
Total comprehensive income for the year attributable to the Members of The Sovereign Hill Museums Association		2,053,389	6,245,903

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	373,776	4,825,291
Trade and other receivables	5	1,466,679	2,780,831
Inventories	6	1,603,641	1,651,534
Biological Assets	7	1,857,320	1,835,620
Other current Assets	8	924,708	1,193,960
Financial Assets	9	6,643,453	476,950
Total current assets		12,869,577	12,764,186
NON-CURRENT ASSETS			
Financial Assets	9	1,740,992	7,646,063
Property, plant and equipment	10	56,290,542	48,858,459
Collections Assets	10	8,823,682	8,826,275
Total non-current assets		66,855,216	65,330,797
TOTAL ASSETS		79,724,794	78,094,983
CURRENT LIABILITIES			
Trade and other payables	11	2,492,945	3,025,831
Borrowings	12	-	-
Short term provisions	13	1,129,716	1,118,736
Total current liabilities		3,622,662	4,144,567
NON-CURRENT LIABILITIES			
Long term provisions	13	635,872	537,545
Total non-current liabilities		635,872	537,545
TOTAL LIABILITIES		4,258,534	4,682,112
NET ASSETS		75,466,260	73,412,871
EQUITY			
Retained Earnings		58,258,133	56,108,929
Reserves		17,208,127	17,303,942
TOTAL EQUITY		75,466,260	73,412,871

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Asset Revaluation Reserve ##
	\$	\$
BALANCE AT 27 JUNE 2017	50,578,941	529,337
Total comprehensive income for year	5,897,556	348,347
Transfers (to)/from reserves		
– General Reserve	(3,625)	
– The Sovereign Hill Foundation	(280,649)	
– Sir Henry Bolte Trust	(24,390)	
– Collections	(58,905)	
Transfers from retained earnings		
BALANCE AT 30 JUNE 2018	56,108,929	877,684
Total comprehensive income for year	2,418,887	(365,498)
Transfers (to)/from reserves		
– General Reserve	325,116	
– The Sovereign Hill Foundation	(436,315)	
– Sir Henry Bolte Trust	(161,076)	
– Collections	2,593	
Transfers from retained earnings		
BALANCE AT 30 JUNE 2019	58,258,133	512,186

This reserve records the revaluation increment of shares, hybrid securities and floating notes in Corporations listed on a prescribed Stock Exchange.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

General Reserve	Sir Henry Bolte Trust	The Sovereign Hill Foundation	Collections Reserve	Total
\$	\$	\$	\$	\$
2,511,083	1,039,928	3,740,308	8,767,370	67,166,967
				6,245,903
				(3,625)
				(280,649)
				(24,390)
				(58,905)
3,625	24,390	280,649	58,905	367,569
2,514,707	1,064,318	4,020,957	8,826,275	73,412,871
				2,053,389
				325,116
				(436,315)
				(161,076)
				2,593
(325,116)	161,076	436,315	(2,593)	269,683
2,189,592	1,225,394	4,457,273	8,823,682	75,466,260

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Sales from small businesses		9,044,210	9,331,050
Other revenues from operating activities		25,833,797	24,031,755
Interest and dividends received		801,008	492,865
Payments to employees		(16,367,010)	(16,287,959)
Interest paid		(22,209)	(27)
Payments for materials and contracts		(15,977,039)	(15,225,423)
Net cash generated from operating activities	18	3,312,757	2,342,261
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital receipts		2,547,527	4,601,200
Proceeds from sale of property, plant and equipment		36,105	54,510
Proceeds from disposal of investments		1,595,657	854,622
Purchase of investments		(1,832,060)	(1,411,761)
Purchase of property, plant and equipment		(10,111,500)	(4,707,011)
Net cash used in investing activities		(7,764,272)	(608,440)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net (decrease)/increase in cash held		(4,451,515)	1,733,821
Cash and cash equivalents at the beginning of the year		4,825,291	3,091,470
Cash and cash equivalents at the end of the year	4	373,776	4,825,291

NOTE 1 Statement of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Sovereign Hill Museums Association ('the Association') is a company limited by guarantee.

New, revised or amending Accounting Standards and Interpretations adopted

The Association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. Refer Note 1 (s) for commentary on Standards issued but not yet effective.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Association.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – *Reduced Disclosure Requirements* of the Australian Accounting Standards Board and the Division 60 of *Australian Charities and Not-for-profits Commission Act 2012*. The Association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting policies

(a) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Grant revenue is recognised in the profit or loss when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of grant revenue as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the Statement of Financial Position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Association receives non-reciprocal contributions of assets from other parties at either a nil or a nominal value. These assets are recognised at fair values on the date of acquisition in the Statement of Financial Position with the corresponding value credited to the Collections Reserve.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive the dividend has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and service tax (GST).

(b) Inventories

Inventories are measured at the lower of average cost and net realisable value.

(c) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, accumulated depreciation and impairment losses.

Property

The Association is an outdoor museum that represents Ballarat in the Victorian goldfields for the period 1851 to 1861. All the buildings exhibits in the museum precinct have extensive ongoing maintenance to ensure their standards are in keeping with this 11-year time period. Consequently, the Directors believe that buildings will have an estimated useful life of 150 years and therefore depreciation has been calculated at 0.67% pa.

Land

Land is freehold land recorded at cost and does not incur a depreciation charge.

Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and any accumulated impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amounts of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight-line basis over their useful life to the Association commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation of asset
Buildings – historic	0.67%
Buildings – other	1.5% – 10%
Plant, equipment and vehicles	2.5% – 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset class' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the profit or loss in the period in which they arise.

(d) Assets held for sale

Assets held for sale are valued at the lower of cost and net realisable value. Profits are brought to account on the signing of an unconditional contract of sale.

(e) Collections Assets

Collections Assets controlled by the Association are works of art and other heritage assets, including the property Narmbool, which have been donated to the Association and are recognised at fair value at the time of the donation. They are anticipated to have very long and indeterminate useful lives. Their future economic benefits have not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

(f) Biological Assets

From 1 July 2013 the control of Narmbool farm operations has transferred to the Association. Biological assets consist of the following categories of sheep; Dohne Merino, Cross bred and Rams. All biological assets are carried at fair value less costs to sell.

(g) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date the Association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit and loss' in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit and loss' when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Association's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Borrowings are classified as current liabilities unless the Association has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(v) Available-for-sale investments

Available-for-sale investments (i.e. shares, hybrid securities, fixed interest, convertible and floating notes) are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period.

(vi) Impairment of financial assets

At the end of each reporting period, the Association assesses whether there is objective evidence that a financial asset has been impaired through the occurrence of a loss event. In the case of available-for-sale financial assets, a significant or prolonged decline in the value of the instrument is considered to indicate that impairment has arisen. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

(vii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Association no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

When available-for-sale investments are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss.

(h) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using assumptions that market participants would use when pricing an asset or liability, assuming they act in economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(i) Impairment of non-financial assets

At the end of each reporting period, the Association assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

(j) Compensation for impairment

Insurance compensation was recognised during the year for items of property, plant and equipment that were lost due to a bushfire that affected the Narmbool property in December 2015. The impairment of property, plant and equipment are recognised in accordance with AASB 136 Impairment of Assets. The derecognition of items of property, plant and equipment retired has been offset against the insurance recoup in Capital Receipts in the Statement of Profit or Loss and Other Comprehensive Income.

(k) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for these benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national corporate bonds with terms to maturity that match the expected timing of the cash flows.

Contributions are made by the Association to an employee superannuation fund and are charged as expenses when incurred.

(l) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with Banks, other short-term highly liquid investments with original maturities of three months or less, and Bank overdrafts.

(m) Goods and service tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables in the Statement of Financial

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to the ATO, is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the ATO, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(n) Income tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(o) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(p) Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(q) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(r) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

(s) Standards Issued but not yet effective

The following new accounting standard has been published and is not mandatory for the 30 June 2019 reporting period and has not been early adopted by the Association. The Association's assessment of the impact of the new standard is set out below. The date of adoption by the Association will be 1 July 2019.

AASB 16 Leases

Operating Leases

The standard requires a lessee to recognise all qualifying leases on the balance sheet in the form of a lease liability and right-of-use asset. The Association has considered the new standard and reviewed its current operating lease arrangements. They have been identified as being small leases relating to office equipment, as such the exemption for short-term and low-value assets will be applied. On this basis, applying the modified retrospective approach on transition will not see any material adjustment to the financial statements.

Peppercorn Leases

1. Provided by the Minister for Environment and Conservation (Crown land). The term is 50 years from 30 November 2000 for an annual rental amount of \$2.00 per annum, the full term has been paid in advance. The land is used for the main site of Sovereign Hill outdoor museum.
2. Provided by the Minister for Energy, Environment and Climate Change (Crown land) under a licence arrangement. The term is 10 years from 1 April 2019 for a term licence fee of \$300.00 paid in full. The land is used for grazing land.

AASB 15 Revenue from Contracts with Customers & AASB 1058 Income for Not-for-Profit Entities

This standard provides details to determine whether contributions should be recognised up-front when they are received or deferred until they are used for specified purposes. Revenue policies are outlined in Note 1(a), Sovereign Hill notes that the receipt of capital donations including government and private benefactor grants do arise. Grants in relation to ongoing Museum operations are also received however are generally aligned with a specific 12 month period. Assessment of the terms and conditions applicable to each specific income item are considered for compliance with requirements of the accounting standards.

Volunteer Services are received by Sovereign Hill primarily through the 'Friends of Sovereign Hill' however there are no plans to recognise the fair value of the financial benefit through the operating accounts. In the event of a donation to the collection assets, the policy outlined in Note 1(e) will apply, peppercorn leases are accounted for at cost, details have been noted in AASB16 comments above.

There is not expected to be a material impact to the operations as a result of the changes to the revenue recognition standards.

(t) Key judgements

Available-for-sale investments

The Association maintains a portfolio of securities with a carrying value of \$1,740,992 at the end of the reporting period. These valuations are the current market value on the stock exchange as at reporting date. The Directors believe there is no impairment of these investments.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 2 Revenue		
REVENUE FROM OPERATING ACTIVITIES		
- sale of goods	8,220,956	8,498,210
- interest and dividends received	801,008	492,865
- government grants *	765,119	795,092
- entrance takings	18,371,850	19,331,065
- rents and commissions	1,097,622	1,166,350
- other revenue (including accommodation and memberships)	3,502,066	3,369,169
Revenue from Operating Activities	32,758,621	33,652,750
OTHER INCOME		
- gain on disposal of property, plant and equipment	986	11,294
- gain on disposal of available-for-sale financial assets	390,526	41,744
Other Income	391,512	53,039
CAPITAL RECEIPTS		
- donations and collection assets donated	2,743,644	4,820,980
Less expenditure against capital receipts	(196,117)	(219,779)
	2,547,527	4,601,200
	-	-
- insurance refunds	-	-
Less derecognition of affected items of property, plant and equipment	-	-
Capital receipts includes donations, insurance refunds and collections assets donated	2,547,527	4,601,200
TOTAL REVENUE	35,697,660	38,306,989
* Government grants includes funding support from Creative Victoria.	253,000	253,000

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

NOTE 3 Operating Profit

Operating Profit includes the following:

Depreciation

- Land and Buildings	1,396,393	962,918
- Plant and Equipment	1,151,665	1,151,493
Total Depreciation	2,548,058	2,114,410

Auditor Remuneration

- Audit Services - external	43,600	42,550
- Audit Services - other	-	750

Employee benefits expense:

- Contributions to defined contribution superannuation funds	1,270,327	1,225,912
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Interest paid on borrowings

22,209	27
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SIGNIFICANT REVENUE AND EXPENSES

Net gain/(loss) on disposal of non-current assets

Investments

Proceeds on disposal	1,595,657	854,622
Disposals at written down value	(1,205,130)	(812,878)
Net profit (loss) on disposals	390,526	41,744

PROPERTY, PLANT AND EQUIPMENT

Proceeds on disposal	36,105	54,510
Disposals at written down value	(35,119)	(43,216)
Net gain (loss) on disposals	986	11,294

Collections Assets

Impairment loss	(98,822)	-
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NOTE 4 Current assets – cash and cash equivalents

CURRENT

Cash at Bank	172,022	4,634,031
Cash on hand	201,754	191,260
	373,776	4,825,291

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
NOTE 5 Current assets – trade and other receivables		
CURRENT		
Trade receivables	1,461,891	2,775,667
Other receivables	4,788	5,164
	1,466,679	2,780,831

The Association does not have any material credit risk exposure to any single receivable or group of receivables.
The Association does not have any impaired debtors past due.

NOTE 6 Current assets – inventories

CURRENT		
At lower of average cost and net realisable value		
Stock	1,603,641	1,651,534

NOTE 7 Current assets – biological assets

CURRENT		
At fair value less cost to sell		
Sheep		
Balance at the beginning of the year	1,835,620	1,756,700
Net movement in valuation during year	(823,864)	(666,113)
Fair value movement of biological assets	845,564	745,033
Balance at end of year	1,857,320	1,835,620

NOTE 8 Current assets – other assets

CURRENT		
Pre-payments	924,708	1,193,960

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 \$	2018 \$
NOTE 9 Financial assets		
CURRENT		
Held-to-maturity investments	6,643,453	476,950
NON-CURRENT		
Available-for-sale financial assets	1,740,992	7,646,063
- includes \$273,204 attributable to Sir Henry Bolte Trust (refer note 21)		
- includes \$898,989 attributable to The Sovereign Hill Foundation (refer note 21)		
Available-for-sale financial instruments comprise shares, hybrid securities, convertible and floating notes in Corporations listed on a prescribed Stock Exchange at market value. There are no fixed returns or fixed maturity dates attached to these investments. Held-to-maturity investments comprise cash accounts with financial institutions.		
NOTE 10 Non-current assets – property, plant and equipment		
LAND		
At cost	4,746,713	4,746,713
Total land	4,746,713	4,746,713
BUILDINGS		
At cost	52,600,125	46,843,648
Less accumulated depreciation	(9,410,307)	(8,016,183)
Less impairment loss	-	-
Total buildings	43,189,818	38,827,465
PLANT AND EQUIPMENT		
At cost	28,378,217	24,204,938
Less accumulated depreciation	(20,024,206)	(18,920,658)
Total plant and equipment	8,354,011	5,284,280
PROPERTY, PLANT AND EQUIPMENT	56,290,542	48,858,459
COLLECTIONS ASSETS		
At fair value	8,922,504	8,826,275
Less impairment loss	(98,822)	-
Total Collections Assets	8,823,682	8,826,275

			2019	2018
			\$	\$
Movements in Carrying Amounts	Land	Buildings	Plant and Equipment	Collections Assets
	\$	\$	\$	\$
2018				
Balance at the beginning of the year	4746713	36,309,431	5,311,834	8,767,370
Additions at cost	0	3,480,952	1,167,155	58,905
Disposals	0	-	(43,216)	-
Depreciation expense	0	(962,918)	(1,151,493)	-
Carrying amount at end of year	4,746,713	38,827,465	5,284,280	8,826,275
2019				
Balance at the beginning of the year	4,746,713	38,827,465	5,284,280	8,826,275
Additions at cost	0	5,758,746	4,256,525	96,229
Disposals	0	(2,269)	(83,247)	-
Impairment loss	0	-	-	(98,822)
Depreciation expense	0	(1,394,124)	(1,103,548)	-
Carrying amount at end of year	4,746,713	43,189,818	8,354,011	8,823,682

NOTE 11 Current liabilities - trade and other payables**CURRENT**

Trade payables	1,873,537	2,360,634
Other current payables	619,409	665,197
	2,492,945	3,025,831

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$

NOTE 12 Current liabilities - borrowings

CURRENT

Interest-only loan

-	-
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Loan liability is secured by assets of the Association

The total Bank loans of \$0 (facility limit of \$2,000,000) are categorised in current liabilities as a result of a paragraph in the business letter of offers that states that the Bank can, at any time, reduce any limit, including a Facility Limit, Debtor Limit and a Component Limit. This is on the basis of a strict interpretation of the relevant accounting standard which requires that a liability is current where the Association does not have the unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

It should be noted, however, that the facilities with the Bank are on an interest only basis for the next 12 months.

While the Association notes to the requirement of the Accounting Standard, in reality the loan from the Bank is considered by the Association to be of a longer-term nature.

NOTE 13 Current liabilities - provisions

CURRENT

Provision for employee benefits: annual leave	699,635	619,768
Provision for employee benefits: long service leave	430,081	498,969
	1,129,716	1,118,736

NON-CURRENT

Provision for employee benefits: long service leave	635,872	537,545
	1,765,589	1,656,282

ANALYSIS OF TOTAL PROVISIONS

Opening balance	1,656,282	1,782,963
Additional provisions raised during year	319,554	151,761
Amounts used	(210,247)	(278,442)
Balance at end of year	1,765,589	1,656,282

A provision has been recognised for employee entitlements relating to long service leave. In calculating the present value of future cash flows in respect to long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1 to this report.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

2019	2018
\$	\$

NOTE 14 Capital Commitments

Commitments for uncompleted capital projects at 30 June
(matched by government grant and private fundraising)

500,243	5,773,258
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NOTE 15 Events after the Reporting Period

Sovereign Hill has been granted an allocation for upgrading of AURA from the Victorian State Government's Regional Infrastructure Development Fund. The Association will also commit to carrying out an extra capital works and other projects over the 2018/19 – 2019/20 period.

NOTE 16 Key Management Personnel Compensation

Key management personnel compensation

1,551,971	1,682,826
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NOTE 17 Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year: a Board Member was the senior manager of a company that provided insurance brokerage services to the Association totalling \$33,057; a Board Member was the Director of a company that provided valuation services to the Association totalling \$1,560; a Board Member was the Director of a company that provided vehicle sales and service to the Association totalling \$2,492; and a Board Member was the Director of a company that provided mine consultancy services to the Association totalling \$4,911.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651
NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019

2019	2018
\$	\$

NOTE 18 Cash Flow Information

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT

Operating Profit	(128,640)	1,296,355
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NON-CASH FLOWS

Depreciation	2,548,058	2,114,410
Impairment of non-financial asset	98,822	-
(Decrease)/increase in employee entitlements	109,307	(126,681)
Profit on sale of non-current assets	(391,512)	(53,039)
Write-down of non-current assets	-	-

CHANGES IN ASSETS AND LIABILITIES

Increase in inventories	26,193	(105,627)
Decrease/(increase) in receivables	1,314,162	(1,208,955)
(Increase)/decrease in other assets	269,253	(334,025)
(Increase)/decrease in trade and other payables	(532,886)	759,821
Cash flows provided by operating activities	3,312,757	2,342,261

The Association has a Bank overdraft facility available to the extent of \$500,000.

NOTE 19 Financial instruments

FINANCIAL RISK MANAGEMENT

"The Association's financial instruments consist mainly of deposits with Banks, local money market instruments, short-term investments, accounts receivable and payable.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2019	2018
	\$	\$
FINANCIAL ASSETS		
Cash and cash equivalents	373,776	4,825,291
Loans and receivables	1,466,679	2,780,831
Held-to-maturity investments	6,643,453	476,950
Available-for-sale financial assets	1,740,992	7,646,063
TOTAL FINANCIAL ASSETS	10,224,900	15,729,136
FINANCIAL LIABILITIES		
Financial liabilities at amortised cost:		
- trade and other payables	2,492,945	3,025,831
- borrowings	-	-
TOTAL FINANCIAL LIABILITIES	2,492,945	3,025,831

FAIR VALUES

- (i) For listed available-for-sale financial assets and financial assets at fair value through profit or loss, the fair values have been based on closing quoted bid prices at the end of the reporting period. In determining the fair values of the unlisted available-for-sale financial assets, the Directors have used inputs that are observable either directly (as prices) or indirectly (derived from prices).
- (ii) Fair values of held-to-maturity investments are based on quoted market prices at the ending of the reporting period.

NOTE 20 Financial instruments

The Association measures the following assets and liabilities at fair value on a recurring basis:

- Financial assets
- Biological assets

(i) Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value at 30 June 2019:

Recurring fair value measurements	Level 1	Level 2	Level 3
Available for sale financial assets	\$1,740,992	-	-
Biological assets	-	\$1,857,320	-

Fair value of the biological assets is based on valuation performed by independent, professionally-qualified valuers as at 30.6.19.

(ii) Transfers between levels of the hierarchy

There were no transfers between levels of the fair value hierarchy

(iii) Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

The significant inputs and assumptions are developed in close consultation with management.

The valuation processes and fair value changes are reviewed by the Board of Directors at each reporting date.

NOTE 21 Reserves

The Sovereign Hill Foundation Reserve was established to grow the corpus to underpin Sovereign Hill's long-term financial viability.

The Sir Henry Bolte Trust Reserve is used as the main acquisitive fund for collections.

The General Fund Reserve exists to provide a major financial underpinning of Sovereign Hill's operations.

The Collections Reserve recognises collections assets controlled by the Association. They include works of art and other heritage assets which have been donated to the Association.

The Asset Revaluation Reserve records revaluation increments and decrements (that do not represent impairment write-downs) that relate to financial assets that are classified as available-for-sale.

NOTE 22 Entity Details

The registered office of the Association is:
The Sovereign Hill Museums Association
39 Magpie Street
Ballarat Vic 3350

The principal place of business is:
The Sovereign Hill Museums Association
39 Magpie Street
Ballarat Vic 3350

NOTE 23 Controlled Entity

SUBSIDIARIES OF THE SOVEREIGN HILL MUSEUMS ASSOCIATION	COUNTRY OF INCORPORATION	2019	2018
Sovereign Hill No. 1 Pty Ltd	Australia	100%	100%

On 26 June 2014, The Sovereign Hill Museums Association acquired 100% interest in Sovereign Hill No. 1 Pty Ltd. No transactions have occurred in this company from the date of acquisition to 30 June 19.

NOTE 24 Members' Guarantee

The Association is incorporated under the *Australian Charities and Not-for-profits Commission Act 2012* and is a company limited by guarantee. If the Association is wound up, the constitution states that each Member is required to contribute a maximum of \$20 each towards meeting any outstandings and obligations of the Association. At 30 June 2019, the number of Members was 1,287.

THE SOVEREIGN HILL MUSEUMS ASSOCIATION ABN 87 565 053 651

DIRECTORS' DECLARATION

The Directors of the Association declare that:

1. The financial statements and notes, as set out on pages 29 to 59 are in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and:
 - a. comply with Australian Accounting Standards – *Reduced Disclosure Requirements*; and
 - b. give a true and fair view of the financial position of the Association as at 30 June 2019 and of the performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors

Dated this eighteenth day of September 2019.



D E Butler
President

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of The Sovereign Hill Museums Association (the Association), which comprises the statement of financial position as at 30 June 2019, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes comprising to the financial statements, including a summary of significant accounting policies and the Directors' declaration.

In our opinion, the financial report of The Sovereign Hill Museums Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including

- (a) giving a true and fair view of the Association's financial position as at 30 June 2019 and of its performance for the period ended on that date; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for our Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the registered entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in the registered entity's Annual Report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. The Directors are responsible for the other information in the Annual Report. Our opinion on the Financial Report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the other information, and report only if the other information is materially inconsistent with the Financial Report. We have nothing to report in this regard.

Directors' Responsibility for the Financial Report

The Directors of the Association are responsible for the preparation and fair presentation of the Financial Report in accordance with Australia Accounting Standards – *Reduced Disclosure Requirements* and the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and for such internal control as the directors determine is necessary to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Report, the Directors are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Home.aspx>. This description forms part of our Auditor's Report.



D G Abbott

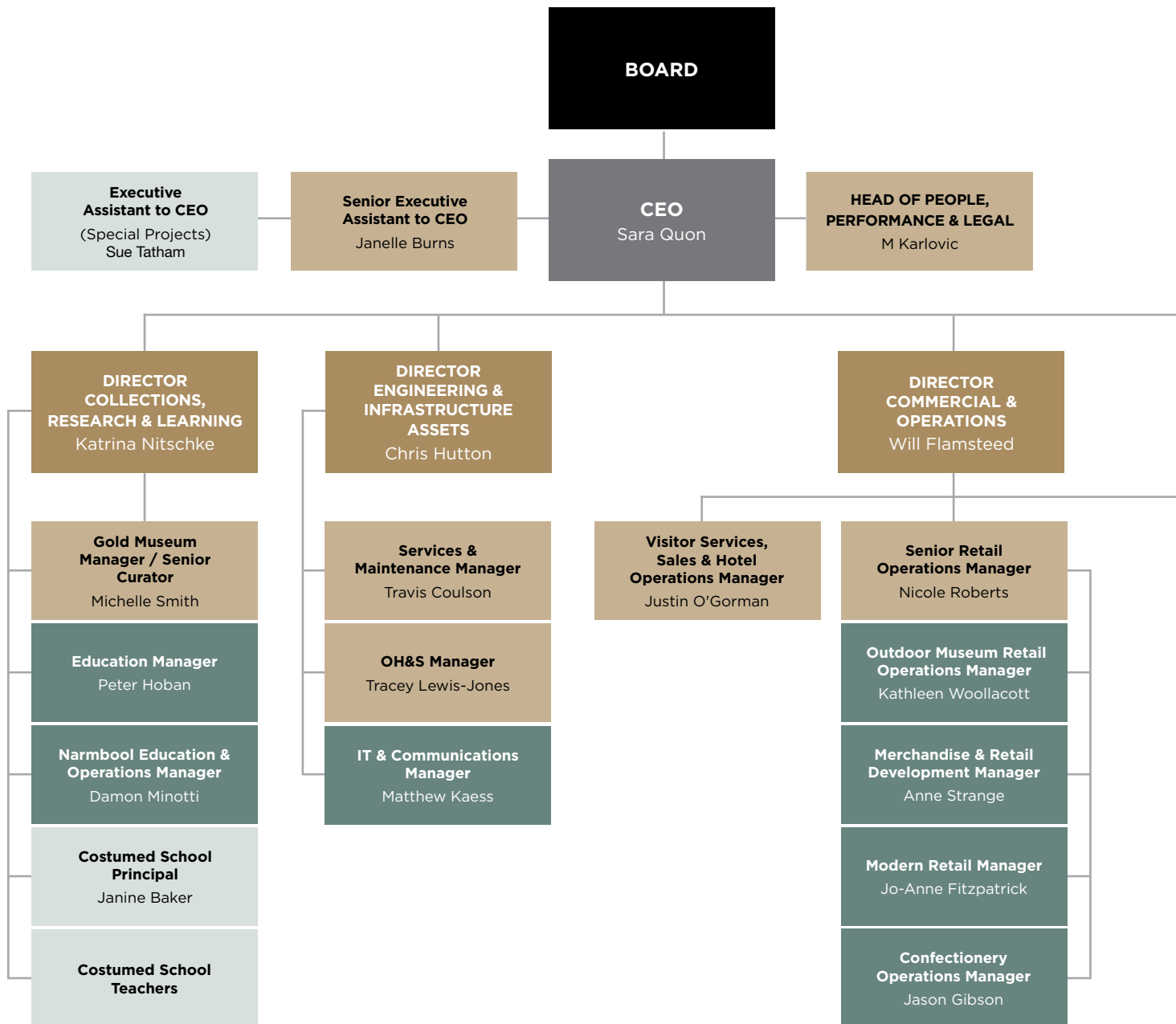
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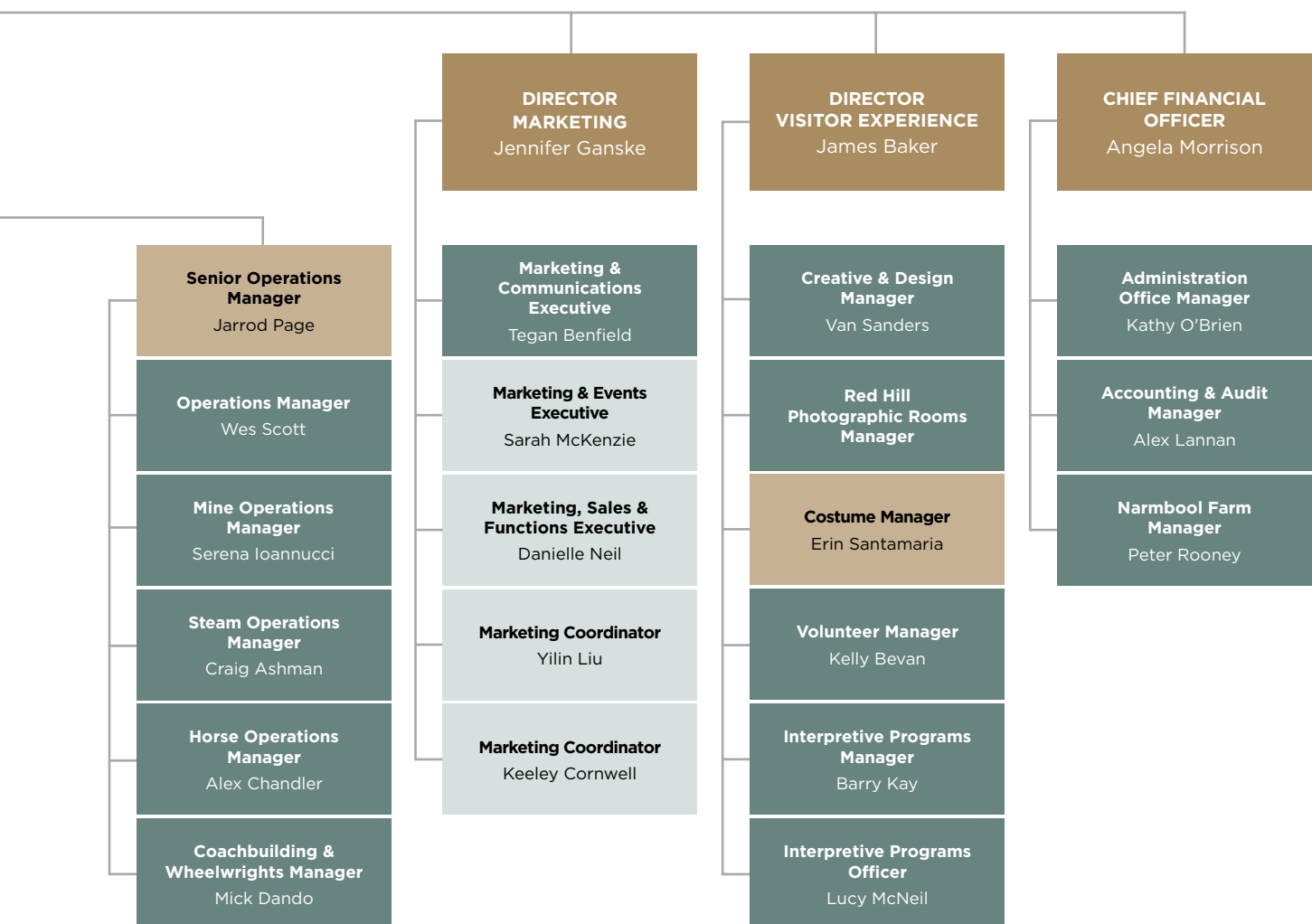
MOR Accountants

406 Dana Street, Ballarat

Dated this eighteenth day of September 2019.

ORGANISATIONAL CHART





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Museums Association 2019

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